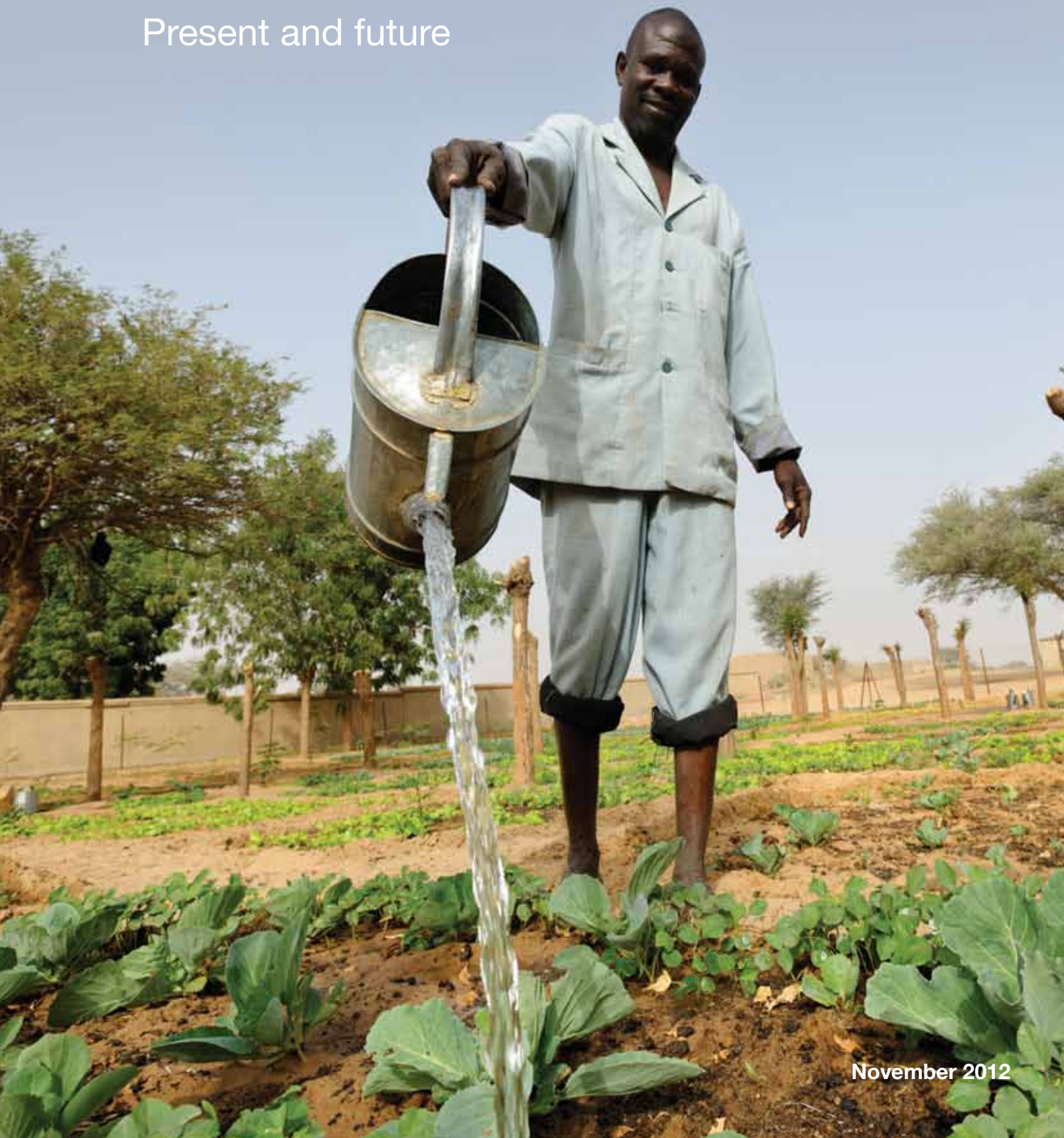


Bridging the World of Philanthropy

Present and future



About this paper

This paper was inspired by discussions from two events convened as part of the Bellagio Initiative on the Future of Philanthropy and Development www.bellagioinitiative.org

The Forum on Bridging Philanthropy and Development in Africa and Asia took place in June 2012. The Forum brought together development practitioners and philanthropic investors from the two continents to explore the major opportunities and risks in directing philanthropic investment towards development outcomes, and to identify the steps required to strengthen successful collaboration between the two sectors.

The World of Philanthropy Present and Future was convened by the Resource Alliance in October 2012. The meeting brought together senior fundraisers from international NGOs; heads and directors of CSR from large companies; high net worth individuals; representatives from trusts and foundations; private wealth advisors; and representatives from bilateral and multilateral agencies.

These global groups explored together key questions affecting philanthropy today and in the future, building on recommendations and reflecting upon key findings from the Bellagio Summit, hosted by the Resource Alliance in partnership with the Rockefeller Foundation and the Institute of Development Studies in 2011. Specifically they sought to:

1. Determine the drivers behind the development agenda while considering how strategic cross-sectoral partnerships can ensure that giving is based on development needs
2. Identify the conditions necessary to incentivise more innovative and potentially 'risky' approaches to philanthropy
3. Explore what needs to change in order to grow giving globally for sustainable development.

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For further resources please visit www.resource-alliance.org

Cover image

Community Health Worker, Lawali Issou, waters vegetables being grown as part of a Save the Children garden programme at an Integrated Health Centre.

Nyani Quarmyne/Panos
Niger, Guindaoua, Tessaoua Region



Forum on Bridging Philanthropy and Development in Africa and Asia

Introduction

In June 2012 a small group representing a cross-section of development practitioners and philanthropic donors and investors from across Asia and Africa came together to explore the major opportunities and risks influencing philanthropic investment towards development outcomes. The aim of the Forum on Bridging Philanthropy and Development in Africa and Asia was to strengthen **new** philanthropy in the emerging economies by bringing together new high-net-worth philanthropists from Asia and Africa who have begun their journey of positively impacting local communities and practitioners operating on the ground in these continents.

By creating a platform to draw upon the diverse range of experiences within the group the Forum aimed to facilitate the sharing of knowledge and ideas on how development issues in these regions can influence and inspire philanthropists, thereby identifying the steps required to strengthen successful cross-sectoral collaboration.

Successful collaboration for improved development outcomes

It is important to recognise that a knowledge gap may thus far have impeded successful collaboration between development practitioners and philanthropists. Development practitioners seeking support from philanthropists have often failed to provide the kind of background information and data that solutions-oriented philanthropists expected. Philanthropists may know less about the social issues and local contexts they are seeking to address than development practitioners who have spent years working directly with them, but the process of directing philanthropic resources to development projects will require a time investment in building a shared knowledge base, values, and strategy between the donor and the local actor.

In the context of long-term philanthropic support, forging strong relationships based on trust, transparency and informed risk taking will sustain effective collaboration.

The success of initiatives to improve development outcomes depends upon philanthropists building connections with the communities they seek to support and ensuring that they feel that these solutions are relevant. Asking communities what they need ensures that initiatives are responding to the demand of the communities, not to the perceived needs or desires of philanthropists. This in turn motivates communities to take ownership of initiatives and work hard together with the donor.

Accountability to donors need not involve complex processes but development practitioners must demonstrate how donors' money will be spent, how results will be achieved, and put appropriate monitoring and evaluation milestones in place. Clear communications, trust and formality are necessary to establish and manage expectations on both sides, while maintaining flexibility to negotiate and together improve systems.



Initiated by Grameen Bank, a coordinator hands out money to one of the borrowers at a group meeting. Grameen Bank, literally meaning 'Bank of the Villages', is a microfinance organisation and community development bank that issues small loans without requiring collateral. In 2006 Grameen Bank, along with its founder Dr. Mohammad Yunus, were jointly awarded the Nobel Peace Prize 'for their efforts to create economic and social development from below.'

G.M.B. Akash/Panos
Bangladesh, Tangail

Critical issues in risk and philanthropy

The return on philanthropic investment is social rather than financial. Philanthropic investment decisions are based upon efficient use of the investment to achieve the outcomes desired by both the donor and the community. Philanthropists may be more sensitive to loss (not making an impact) than to gain (making an impact) which can drive them towards so-called 'safe bets' such as education and healthcare rather than 'risky' and unpredictable causes such as advocacy, rights and social justice, for which it is more difficult to demonstrate short-term tangible gains. Development NGOs must be able to articulate their intended impact clearly and persuasively to potential donors.

Reputational risk is also a key driver in decision-making for many philanthropists. Early stage

philanthropists may have achieved wealth through success in a particular area and therefore need to maintain the reputation they made for themselves elsewhere when charting new territory. Equally, established philanthropists are careful to preserve the value of a long-established brand.

Neither new nor experienced philanthropists want to fail publicly and few are willing to publish analysis of philanthropic failure. This in turn presents a challenge for new philanthropists wishing to learn from the lessons of others' mistakes.

The philanthropic sector would benefit enormously from some public, centralised forum for sharing successes and failures.

How philanthropists can be more strategic

There is an identified need for resources to help new philanthropists be more strategic in investing for development outcomes. Suggested tools for strategic philanthropy include:

- Directory/knowledge bank with data on both philanthropic and development actors
- Case studies documenting both successes and failures in philanthropy
- Guidance for new generation philanthropists, and mentoring from those with more experience

- Ongoing Workshops bringing together philanthropists and development actors to promote mutual understanding.

Priorities include data collection on key issue areas, enabling understanding about the issues and challenges that need to be addressed, as well as networking/mentoring to provide insight and knowledge from reliable sources to empower those new to the philanthropy sector.

Case studies

Participants were invited to contribute case studies which provide insight, learning and advice to philanthropists in emerging economies who want to engage with local communities and development practitioners operating on the ground.

Participants from local partners of the Poorest Area Civil Society (PACS) at a Workshop on communications.

India

Workshop on Communication Needs Assessment for CSOs

Bhopal, 3-4 November, 2011

Organized By:

Poorest Areas Civil Society [PACS] Programme

Facilitated By: Resource Alliance



Case study

Supporting further education in Kenya

Dr. Vijoo H. M. Rattansi (Mrs) of the Rattansi Educational Trust, Kenya

The Mohamedally and Maniben Rattansi Education Trust, was established in 1956 with the vision 'Education lights the path to development'. We offer bursaries to students from poor families in Kenya and this case study focuses on student beneficiaries at undergraduate university level whose families were unable to support their academic studies. In 2011 alone, we supported 1,100 young people by helping them to pay their university fees.

The work of the Trust has been successful and achieved its intended impact as the majority of those sponsored by the Trust have developed professional careers and some have gained positions in government and other national bodies. Others have founded and are running successful businesses. We are proud of, and support, their achievements.

Cooperation amongst stakeholders is a large part of the success of our work. We develop relationships between our board members, higher learning institutions, students and their parents.

Through our engagement we know that in a large number of cases, if bursaries were not available, families would have had to sell their family land on which they base their livelihoods, or sell livestock or obtain a loan to support their child's academic studies.

Our advice to other philanthropists is to get involved in whatever you choose to support, talk to all of the stakeholders especially those at the grassroots level, to see things from their perspective and the reality of those you work with.

We have found this to be very enlightening and enriching for our own work and knowledge and it also enabled us to learn and share our experiences with others. It's a very soul satisfying to know that our work is making an impact but that our experience as a Trust can help inform and influence others in the field.

Case study

The first pediatric palliative care service in Indonesia

**Lynna Chandra, Rachel House
(Yayasan Rumah Rachel), Indonesia**

Since 2008 Rachel House has been providing palliative care to children with cancer and/or HIV from marginalised communities in Jakarta, to help ensure that they do not spend their last days in pain with little or no medical care.

In the last four years we have reached over 250 children and every year at least 1,000 others are reached through advocacy and training. As a result of training, the largest cancer hospital started the first pediatric palliative care ward in Indonesia in 2010, and the largest women and children hospital will be launching its pediatric palliative care ward by end 2012 - providing access to palliative care for over 1,000 children annually. Our work has also led to a growth in the number of hospital beds for children needing treatment as patients can be discharged with access to good homecare service by Rachel House, and fewer children are rushed to the Emergency Room before death as their parents receive support from Rachel House and can more confidently deal with their children's symptoms.

What began with a narrow focus of making sure that no child would have to die in pain has now become a programme that seeks to bring the concept of palliative care (increasing the quality of life of patients) into mainstream medicine, thereby pushing the entire sector forward in the hope of bringing better medical care to all.

The success of our work rests on the ability of the team to: adapt to changes and tailor the service to the needs of the community; to champion the cause; and to face challenges and develop practical solutions that are appropriate to the community they serve. Our greatest learning has been that, most of the time a good solution has to originate from the community and not be 'imported' from external parties.

My advice to other philanthropists is to invest time and effort in building the best team to implement the most appropriate solution for the community the programme is meant to serve.

Case study

Bridging the digital divide in Khayelitsha, Cape Town, South Africa

Dato Dr Kim Tan, Transformational Business Network, UK

The Transformational Business Network (TBN) is a network of investors and business people that bring community transformation through sustainable business solutions to poverty. The network helps businesses to build, expand and scale.

In 2008 we made an investment of around ZAR1,200,000 to Silulo Technologies which provides computer training and services to disadvantaged communities in the Western Cape Region. The company focuses on technology, knowledge and empowerment.

In the last four years great progress has been made with the business providing services and learning opportunities.

The number of employees has risen from four to 70 people; there are now three computer training centres, 16 internet cafes and over 1,000 young people graduating with Microsoft accreditation every year. In addition to the business becoming a profitable business, the impact is that more people have become computer literate and can gain better or higher paid jobs with these skills.

The project has been replicated in other areas and there are now internet cafes and computer centres in townships including Khayelitsha, Gugulethu and Kyamandi.

Our investment in the project has been successful and underscores the importance of working with good people and a strong management team, the chemistry and trust between them, and their adaptability and willingness to be guided and mentored.

There have been challenges of course but the management team has recognised mistakes and quickly adapted. This highlights the importance of 'Failing well but failing early.'

If I were to offer advice to other venture philanthropists it would be to say that people are central to the success of the project but a robust business plan and appropriate financing are also essential.

Case study

Setting a career course for disabled youth in India

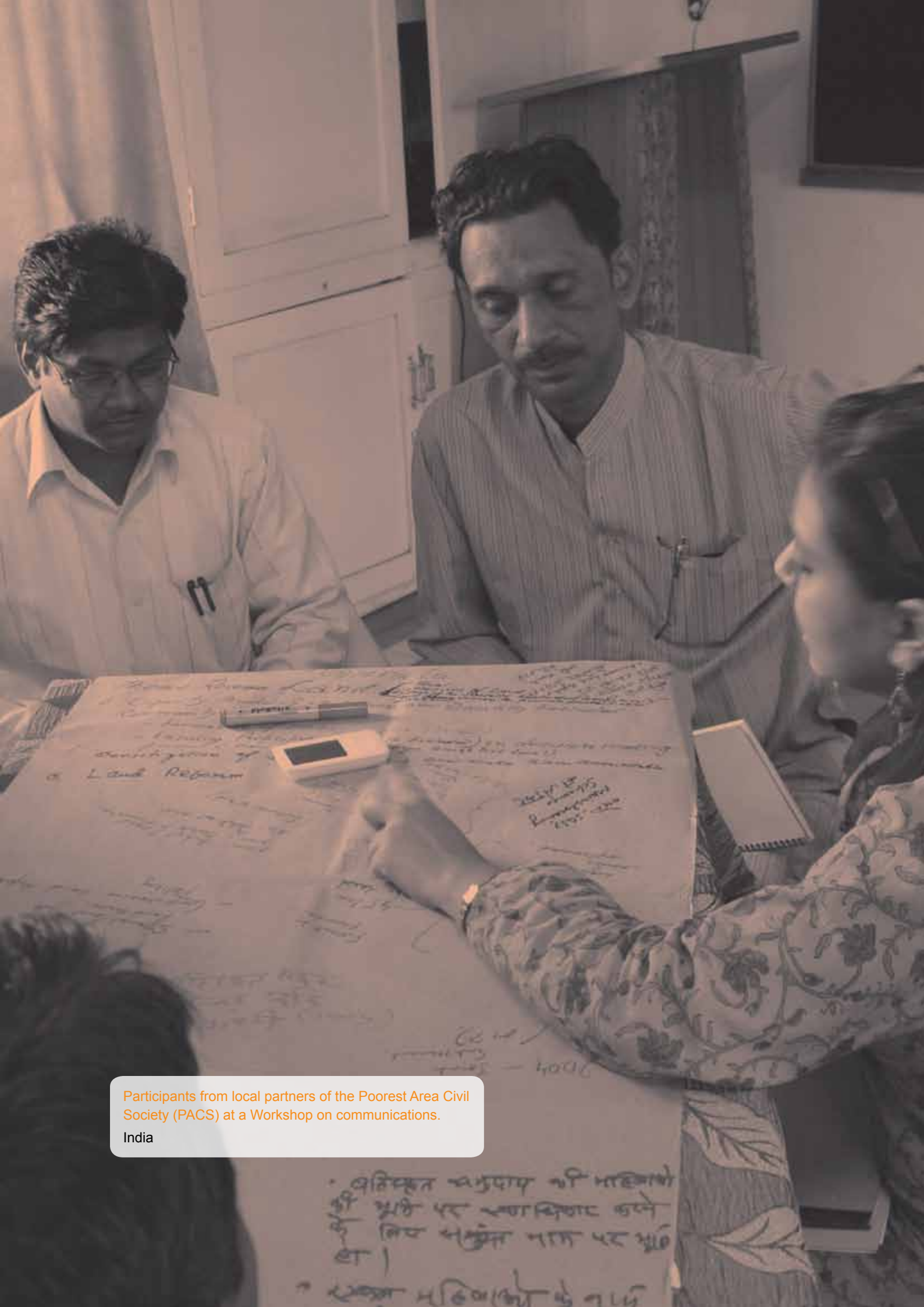
Mr B. S. Nagesh, The Trust for Retailers and Retail Associates of India (TRRAIN), India

The Trust for Retailers and Retail Associates of India (TRRAIN) imparts education and learning skills and provides financial products to front-end staff in the retail sector at nominal fees. In addition to providing services, the Trust is also a catalyst for change to focus on the issues faced by over 33 million people working in the retail sector in India such as high attrition rates, lack of work-life balance, low wages, and low image and dignity attached to working in sales. The Trust also provides a platform for the industry to come together to find solutions. The work of the Trust aims to create acceptance and recognition of the skills and abilities of those in the sector within their own communities and the companies they work for.

The Trust is celebrating its first anniversary in December 2012 and has designated 12 December as annual 'Retail Employees Day' in India. Over 400,000 employees will celebrate and at least 85 companies are participating in the Trust's Retail Awards to recognise excellence in the sector. In the last year, together with together with Y4J (Youth for Jobs), the Trust has initiated a training and education programme for people with disabilities from poor and rural families in order for them to gain jobs in the retail industry. This was a pioneering partnership to identify, motivate and train disabled youth for at least three months in English language, customer service skills and IT as well as through on the job placements. Whilst this part of our work has exceeded expectation and achieved great impact, we have not been so successful with our project to deliver life insurance and health coverage products

specifically tailored to retail staff. Employers perceived the initiative as an additional burden even though around 99% of retail staff in traditional stores and 50% in modern stores do not have an adequate security net. This is an area which we need to rethink our role, to influence the sector further.

I see that I have two roles, one spanning development and the other in philanthropy. The Trust is both supporting projects and creating initiatives. My advice to other philanthropists is to become associated with a cause which is close to them, one in which they have background or knowledge in order that they can add value through the sharing of expertise and their network, not just through giving money. I have learnt that a cause alone is not sufficient to gain support, you have to work just as hard with a philanthropic endeavour as you do with a fledgling business seeking partnerships and interest and gaining influence. What is important to remember is that we have the freedom to try, to fail and then to adapt. In my experience with the Trust, this will be a continuous process as we scale up and reach more and more people.



Participants from local partners of the Poorest Area Civil Society (PACS) at a Workshop on communications.
India

• अधिकतम समुदाय की भावनाओं
की भाँति पर ध्यान दिया करने
के लिए समुदाय भाग पर ध्यान
दा।
• समुदाय भावनाओं के नाम

The World of Philanthropy – Present and Future

Executive summary

As the final event of the Bellagio Initiative on the Future of Philanthropy and Development www.bellagioinitiative.org, the Resource Alliance convened 'The World of Philanthropy – Present and Future' in October 2012. The forum brought together actors from peer networks of donors (those who give), civil society and

non-profit organisations (those who receive) and fundraisers (intermediaries) to reflect upon how the emergence of influential new philanthropists in Africa, Asia and Latin America; the new ideas they bring to global discussions of development, and changes in government spending are reshaping the philanthropic landscape, as well as driving and changing the development agenda. Discussions from the panels and breakout groups are summarised below:

For decades, the international development agenda was shaped primarily by donor governments and international organisations, but the emergence of new forces is rapidly reconfiguring the dynamics of global development. In middle income countries the role of private donors is expanding through donations, giving accounts, charitable fund accounts, corporate partnerships and bequests. New philanthropic organisations in Africa, Asia and Latin America, socially-motivated impact investing and social entrepreneurship, national governments such as Brazil and China undertaking international development work, and many more governments playing a direct role in shaping their own countries' development are forces all rapidly changing the environment for philanthropic and development action.

Private philanthropists and investors are able to take more risk and move more quickly than governments.

This new generation of philanthropists increasingly considers investments that both address social and environmental issues and support business development and market based approaches.

This new generation of philanthropists is also directly engaged in their philanthropic work, bringing their managerial experience and social motivations to the leadership of their new foundations.

Each of these actors in the development sector, new and long-established plays a different role whether grant making, investment, research, innovation, speed, scale, awareness raising, convening or acting as a catalyst for change.

However, to improve efficacy, accountability and transparency, greater analysis of their interplay and power dynamics is needed.

From international aid to local philanthropy

Traditional forms of international government aid raise issues of dependency, power imbalances, prestige building and influencing.

It is important to acknowledge the difference between aid and philanthropy, the latter having the potential for more collaborative investment and to give more voice to local actors looking to achieve change.

“We must never forget whom we are accountable to at the end of the day. If we are reflective and understand this, we will only do our jobs better.”

The approaches and capacities of different philanthropic and development actors vary, requiring them to work from their own strengths and partner with others to compensate for areas of weakness.

Only through this form of collaboration can international philanthropic efforts achieve maximum effect and efficiency.

These kinds of philanthropic partnership can be successfully fostered by involving recipients of funding in setting strategies, decision making, sharing and disseminating results and achievements of local projects, and acknowledging the value of peer to peer support for resource mobilisation. It also underscores the need for a paradigm shift from aid to partnership to help develop an enabling environment, and create more space for civil society.

In addition, with growing wealth and a rise of middle classes in emerging economies, local philanthropy is the potential for local interaction between donors and communities. This signals a shift away from top-down, distant bureaucratic philanthropic to local philanthropy which puts the community at the centre and gives communities the tools to make their own decisions and reduce donor dependence. The rise of local philanthropic foundations, middle class giving, and local community giving in Africa, Asia and Latin America will increase and strengthen contact between donors and communities as transparent laws improve the enabling environment for local giving and resource mobilisation capacities grow.

“ Things are changing; the main thing is what we believe in ourselves and what we do. ”

Recommendations

- Develop the financial sustainability of NGOs through programming to strengthen local institutions and help reduce dependency on aid
- Support core costs and capacity building
- Incorporate local expertise into decision making and project design
- Share and widely disseminate the results and achievements of local projects to hold donors and governments to account
- Value peer to peer support for resource mobilisation – as fundraisers and donors.

Collaboration and risk

It is clear that a key strategy for the future is collaboration and partnership using a variety of different approaches. There is a general consensus that the future of development assistance is less about spending greater amounts of money, and more about collaboration, partnership and ideas. Collaboration brings opportunities for efficiency and doing more with less. Enabling partners to concentrate on their areas of expertise while outsourcing the things they do less well can create a more holistic approach in partnership.

“ We do not need to work in the same ways but need to work in balance and towards the same goals. ”

Within philanthropy there is an identified need for coordination between foundations, individual philanthropists, civil society organisations and communities. Organisations need to explore how each can play to their own strengths to ensure a holistic approach. Nevertheless, entering into collaboration within and across sectors requires actors to appreciate and take measures to address potential associated risk. Participants identified risks of failure in philanthropic projects associated with false assumptions, misconceived strategies, weak execution/management, or external, unanticipated political and financial factors (such as political unrest, political interference, or financial instability). These risks that threaten philanthropic projects can be best mitigated by open, early communication among partners, and, very importantly, by early engagement of local partners in setting and validating priorities and strategy.

Distrust, among donors, and between donors and local partners, interferes with collaboration and increases risk of failure. Despite recognition of the opportunity for learning from failures, both donors and their grantees are wary about admitting mistakes for fear of eroding trust.



Women from Nepal, Indonesia, Brazil and the Philippines at a Sunday morning ESOL (English as a Second Language) class for migrant domestic workers organised by community organisation Kalayaan and run at the Venture Centre, North Kensington, London by Kensington and Chelsea College.

Philip Wolmuth/Panos
UK

“As an NGO, it is hard when your donors are talking together about you but without you.”

There is also concern about exacerbating inequitable power dynamics as large foundations establish collaborations with insufficient local consultation and coordination.

Paradigm shift for sustainability

A paradigm shift from aid to partnership is essential to the development of an enabling environment that encourages more people to give or invest locally. The sustainability of local NGOs remains central to discussions about local philanthropic investment. Donors must trust grantees to determine their own priorities, reduce dependency and shift power to grassroots organisations. To promote the long-term financial sustainability of local NGOs, it is essential that philanthropic investment includes funds for the capacity building of grantees in the area of fundraising and local resource mobilisation.

“We must be careful it is not a lot of motion without movement.”

Market-based approaches to solving social challenges

Market-based approaches have proven to be effective tools at leveraging extensive private sector resources for certain kinds of challenges, in particular challenges that revolve around physical needs (housing, food, water, microfinance, entrepreneurship). Social entrepreneurs and drivers of other market-based approaches are stakeholders in the development agenda with a specific set of skills and resources appropriate to particular types of problems. There is a need for market based solutions which complement local philanthropic efforts and initiatives.

However, as markets are imperfect these approaches require good social and environmental safeguards and recognition of the impact of barriers to trade. Market-based approaches are insufficient, however, in addressing other critical global problems, in particular political and rights issues.

“There are cases where you change the power dynamic, you can start to get a business model working which includes dignity and happiness, social mobility and the fact that the village can have light into the night.”

Conclusion

There is a clear need to coordinate and enter into honest and open dialogue that fosters realistic expectation and collaboration between philanthropists, foundations and fundraisers. This includes building the long-term local capacities of in-country philanthropy and in-country civil society organisations, and strengthening the resilience of local communities by fostering local philanthropy and the development of local institutions. Donors that are committed to developing sustainable solutions must be willing to choose from a diverse and varied toolkit of solutions and must invest resources in building local resource mobilisation, strategic, and execution capacities.

About the Resource Alliance

The Resource Alliance is an international charity headquartered in London with regional offices in India and Uganda. We aim to be the global network for fundraising, resource mobilisation and philanthropy. We build skills, knowledge and promote excellence within civil society.

To help NGOs around the world increase their fundraising capabilities, we provide a range of services and resources, including annual conferences, international and regional Workshops, accredited courses in fundraising and communication, including the School of Fundraising, training, consultancy and mentoring, publications and eNewsletters, knowledge sharing via our website, the Resource Alliance Knowledge Hub and awards programmes to recognise and celebrate outstanding achievement in fundraising and share best practice.

We organise and run the annual International Fundraising Congress (IFC), now in its 33rd year, which brings together fundraising professionals from around the world.

The Resource Alliance is an international charity registered in England and Wales, and has 501c3 status in the US.

www.resource-alliance.org

About the Rockefeller Foundation

The Rockefeller Foundation's mission to promote the wellbeing of people throughout the world has remained unchanged since its founding in 1913. Its vision is that this century will be one in which globalisation's benefits are more widely shared and its challenges are more easily weathered. To realise this vision, the Foundation seeks to achieve two fundamental goals in its work:

1. It seeks to build resilience that enhances individual, community and institutional capacity to survive, adapt, and grow in the face of acute crises and chronic stresses.
2. It seeks to promote growth with equity so that poor and vulnerable people have more access to opportunities that improve their lives.

In order to achieve these goals, the Foundation provides much of its support through time-bound initiatives that have defined objectives and strategies for impact.

www.rockefellerfoundation.org